

Mexico ahead of the June 2024 general election

SUMMARY

Mexico, the world's most populous Spanish-speaking country, will hold its largest ever elections on 2 June 2024. Almost 98 million voters will pick a new president, all 500 members of the Chamber of Deputies, all 128 members of the Senate of the Republic, state governors and, in total, over 20 000 public service positions, at state and local levels. One outcome is already clear: for the first time in history, the President of the United Mexican States will be a woman.

The next president will have to deal with the problems that have plagued Mexico for many years, such as public security, human rights violations, migration and corruption. Economically, Mexico performed better than most other Latin American economies in 2023. The country is one of the primary beneficiaries of 'nearshoring' (the relocation of manufacturing from Asia to North America to decouple from Chinese supply chains). For the first time in two decades, the United States imported more goods from Mexico than from China.

The newly elected Mexican president's foreign affairs agenda could be strongly impacted by the outcome of the 2024 US presidential election. While a second term for President Joe Biden would yield continuity, a Trump victory would imply major challenges for US-Mexico relations.

The elections matter not only to Mexicans and their regional neighbours, but also to the European Union (EU). Mexico is one of the EU's two strategic partners in Latin America, its second biggest trade partner in the region and a key partner in the multilateral sphere. The modernisation of the EU-Mexico Global Agreement, which the European Parliament also supports, has still to be finalised.



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Largest ever elections in the world's most populous Spanish-speaking country

Mexico, the world's most populous Spanish-speaking country, will hold the [largest elections](#) in its history on 2 June 2024. Almost 98 million eligible voters (of 128 million inhabitants) will vote in the [United Mexican States](#), a federal republic composed of 32 states, including Mexico City. Voters will [elect](#) over 20 000 public servants at state and local levels, as well as eight state governors, Mexico City's Head of Government, all 500 members of the Chamber of Deputies, all 128 members of the Senate of the Republic – and most importantly, the country's next president. The Organization of American States (OAS) will send one of its ['largest' ever delegations](#) to observe the elections.

Following the [2014 electoral reform](#), members of Congress (the legislature of the federal government of Mexico consists of the Senate of the Republic and the Chamber of Deputies) will be the first allowed to run for re-election in subsequent elections. Senators are elected for a 6-year term and can seek re-election for one term to serve a maximum of 12 years. Members of the Chamber of Deputies are elected for a 3-year term and can seek re-election for four consecutive terms, for a maximum of 12 years. Since 2018, the Movimiento de Regeneración Nacional (Morena)–led coalition has a [majority](#) in the 128-member Senate with 70 seats, compared to 24 for the Partido Acción Nacional (PAN) and 15 for the Partido Revolucionario Institucional (PRI). In the Chamber of Deputies, Morena (198 seats); combined with its allies in the Workers' Party (PT) and the Green Party (PVEM), has a majority with 278 seats.

As re-election is not permitted for the president, popular incumbent Andrés Manuel López Obrador (known as AMLO), whose six-year term as president started on 1 December 2018, will leave office. In line with the electoral reform, the next president will be inaugurated on 1 October 2024.

The forthcoming elections matter not only to Mexicans and their regional neighbours but also to the EU, not least because of the modernisation of the currently-frozen [EU-Mexico Global Agreement](#). Politically and economically, Mexico, the region's second largest economy after Brazil, is a key player in Latin America and the Caribbean (LAC), a region that the EU has identified as strategically important. Besides Brazil, Mexico is one of the only two LAC countries with which the EU has a [bilateral strategic partnership](#). As a member of the World Trade Organization (WTO), the Organization for Economic Co-operation and Development (OECD) and the Group of 20 (G20), Mexico, the world's 10th most populous country and 15th largest economy, is an important partner for the EU in global governance and the multilateral system.

AMLO: Still popular at the end of his term

Andrés Manuel López Obrador, founder of the leftist Morena party, and Mexico's 65th President won the 2018 presidential election by a landslide margin of almost 31 points and still has an [approval rate](#) of over 60%. In comparison, his predecessor, President Enrique Peña Nieto's approval rate at the end of his term in 2018 was 18%. This support for López Obrador is remarkable, as he has not overcome some of Mexico's most urgent problems: the country's devastating security, human rights and corruption situation. Some observers are critical of his government record, in particular measured against his promise of a ['Fourth Transformation'](#) that aimed to replace the status quo.

According to [Human Rights Watch](#), President López Obrador has made little progress in addressing Mexico's serious human rights challenges, including extreme criminal violence, abuse of migrants and gender-based violence. The homicide rate fell only slightly, from 28 homicides per 100 000 people in 2021 to 25.9 in 2022. The total number of [murder victims](#) in Mexico topped 30 000 for the sixth consecutive year and remains among the highest in the world. For journalists and human rights defenders, Mexico is one of the most dangerous countries in the world. [Reporters Without Borders](#) criticise President López Obrador and other government officials for attacking media freedom and their combative and stigmatising rhetoric towards the press.

While the AMLO campaign promised to fight corruption, performance is poor. According to Transparency International's [2023 Corruption Perceptions Index](#), Mexico ranked 126 of 180 countries. After a slight improvement in 2018 and 2019 (returning the country to its 2015 level), Mexico's Corruption Perception Index (CPI) ranking failed to improve from 2020 to 2023.

Moreover, the government of López Obrador struggled to respond to the COVID-19 pandemic. Mexico was among the top 10 countries with the highest number of COVID-19 cases. During 2020 and 2021, the country was among the top five countries with the highest number of deaths caused by the pandemic. [Health experts](#) have criticised the López Obrador government's failure to coordinate 'a coherent and unified national response' to the COVID-19 pandemic, which killed over [335 000 Mexicans](#). According to the [International Monetary Fund](#), the government's modest fiscal response to the pandemic had a negative impact on the country's economy.

During the López Obrador presidency, Mexicans' support for democracy fell from 43 % to 35 % between 2020 and 2023. Only just over a third support democracy (35%), another third are indifferent to the type of regime (28%), and the rest support an authoritarian option (33 %).

President López Obrador's popularity can be explained by his socio-economic reforms and his way of presenting himself as a 'man of the people' who distances himself from the 'political elite'. Under AMLO, the minimum wage [increased](#) by 90 %. While extreme poverty has remained unchanged and the number of people without access to health care has more than doubled, the number of Mexicans living in poverty has fallen from 52 million to 47 million during AMLO'S term.

In addition, he took steps to establish himself as a down-to-earth and anti-elitist president: among other things, López Obrador cut his own salary by 60 %, he sold the presidential aeroplane, visits small communities previously ignored by federal officials, and conducts daily news conferences, in which he repeatedly emphasises the viciousness of Mexico's economic elites.

The poll results mentioned above suggest that AMLO's popularity is paving the way for the ruling party to secure a second consecutive presidential term.

Mexico's next president will be a woman

One outcome of the June elections is already known: Mexico's next president will be a woman – the first-ever in the country's history. Candidate [Claudia Sheinbaum](#) an environmental engineer who served as mayor of Mexico City from 2018 until 2023, and is running as the nominee for the governing coalition, *Sigamos Haciendo Historia* (Let's Keep Making History), made up of Morena, the Labour Party and the Green Party. She will face Senator [Xóchitl Gálvez](#), a self-made tech entrepreneur with indigenous roots and candidate for the *Fuerza y Corazón por México* ('Strength and Heart for Mexico'), the main opposition alliance, made up of the Partido Acción Nacional (PAN), the Partido Revolucionario Institucional (PRI), and the Partido de la Revolución Democrática (PRD). Galvez has served as mayor of the Miguel Hidalgo borough of Mexico City (2015-1208) and was elected to the Senate in 2018 for the PAN.

The election campaign began on 1 March 2024. Sheinbaum is heading the polls with a massive lead of between 20 % and 30 %, ahead of her most serious rival (depending on the [survey](#)). But Galvez's popularity has grown slightly in recent weeks at stands at around 33 %. A third candidate, [Jorge Álvarez Máynez](#), of Movimiento Ciudadano (MC) comes a distant third with roughly six points of support. There are no runoffs in Mexico; the candidate who gets the largest share of the vote wins.

Looking at their campaign programmes, neither Sheinbaum nor Gálvez present themselves as candidates for radical change. All candidates' election programmes contain elements of a centre-left orientation, in particular on social and economic issues. This can be explained by the continued high approval rates for AMLO and by the fact that some 51 % of Mexicans view themselves as politically positioned in the centre, as per the Latin American Public Opinion Project (LAPOP) 2023 [AmericasBarometer](#).

Claudia Sheinbaum launched her campaign at a mass event in the Zócalo, the main square of Mexico City, presenting [100 points](#) that outline her government project. Sheinbaum stands for continuity and pledges to drive the fourth transformation, in particular the social policy promoted by the López Obrador government. Her proposals group around [five key topics](#): economy, education, security, regulation of water use and energy transition towards more renewable energies. Looking beyond the border in the north, Sheinbaum has [spoken out](#) against any bilateral relationship with the US that sees Mexico in a submissive position including on immigration. Instead of speaking about cooperating with US efforts at the border, Sheinbaum has centred economic development as integral to her approach to managing migration.

Although Xóchitl Gálvez represented the conservative PAN in the Senate, she is not a party member, but rather a [politician](#) with some decidedly progressive views. Gálvez is presenting herself as more moderate during the campaign, hoping to woo right-leaning voters dissatisfied with López Obrador. According to [experts](#), however, AMLO's broad-spectrum approach to voters has left little room for a right-wing candidate. A cornerstone of her campaign is a [strategy](#) against organised crime that involves doubling the number of National Guard troops, building a maximum security prison and withdrawing the armed forces from public security tasks and civil duties. Gálvez has been outspoken in her [criticism](#) of the AMLO government, noting that life expectancy in the country has declined by four years since he took office. She has pledged to revive access to healthcare, which millions of Mexicans lost when the government ended the public health system in 2020.

While both candidates want to continue socio-economic reform, aspects of their programmes illustrate two contrasting [economic visions](#). Sheinbaum proposes following a model similar to that of AMLO, but plans much more state intervention in the economy, for example, as well as tax reform that helps promote social and infrastructure programmes. For the opposition, Gálvez, proposes a change in economic model to a much more deconcentrated economy, where the private sector returns to lead investment and the economy. She also proposes a fiscal change for micro, small and medium sized enterprises (MSMEs). However, in other areas, Gálvez' approach does not differ greatly from her opponent or the incumbent president. For example, she also wants to accelerate the transition to renewable energies and promises to maintain and even extend Morena's welfare programmes and reinforce measures to reduce the number of people in vulnerable situations.

On the candidates' proposed [foreign policy agenda](#), Sheinbaum aims to maintain a greater presence in multilateral spaces such as the UN General Assembly, the G20 and Community of Latin American and Caribbean States (CELAC). Moreover, Sheinbaum proposes to create a permanent regional mechanism to coordinate a comprehensive approach among the countries of the region to sharing resources, knowledge and strategies that address migration. She [pledges](#) to prioritise trade relations with the US and to encourage companies to shift operations to Mexico to reduce supply chain links with China.

Gálvez has declared she would commit to reducing ties with Cuba, Nicaragua and Venezuela, due to their undemocratic regimes and the human rights violations that occur in those countries. On immigration, Gálvez proposes to establish a national border authority to manage land borders and contribute to a new immigration policy based on the security and rights of migrants. In exchange, she would [demand funds](#) from the US government to support migrants traversing through Mexico. Moreover, Gálvez [proposes](#) a rapprochement with strategic actors, in particular the US and the EU.

A strategic partner for the West?

Mexico's foreign policy under López Obrador is often described as [independent and non-interventionist](#). During his presidency, AMLO prioritised [domestic reform](#), based on his view that a strong domestic policy is the best foreign policy – also reflected in the fact that he has rarely travelled outside the country. The Secretary of Foreign Affairs has regularly represented Mexico at meetings of international organisations and in multilateral fora. President López Obrador did not take part in the July 2023 [EU-CELAC summit](#) in Brussels, nor did he attend recent G20 Summits. Some

[experts](#) consider Mexico missed a unique opportunity to step up as an international leader by filling the vacuum left by former President Jair Bolsonaro's withdrawal of Brazil from the regional and world stage.

Relations with Mexico's biggest neighbour are far from free of challenge, in particular with regards to migration and the fight against organised crime. During the López Obrador administration, US-Mexico relations have been described as turbulent. However, López Obrador has also engaged with the US constructively, e.g. on trade relations and migration issues. This is for example underlined by the June 2019 ratification of the United States-Mexico-Canada Agreement (USMCA) by a huge majority in the Mexican Senate, where President López Obrador's left-wing Morena has an absolute majority. Since 2019, López Obrador has taken a [harder line on migration](#), in part due to US pressure. He has also accommodated US policies that have shifted some of the burden of intercepting migrants and hosting asylum seekers from the US to Mexico.

At the [Asia-Pacific Economic Cooperation \(APEC\) Summit](#) in November 2023 in San Francisco, AMLO met with Chinese President Xi Jinping (in addition to bilateral meetings with Canadian Prime Minister Justin Trudeau and US President Joe Biden). Both leaders committed to working together and strengthening ties, while agreeing to battle illegal drug trafficking between their nations and to push for more trade and investment. According to the [US Department of Justice](#), Chinese chemical companies are fuelling the fentanyl crisis in the US by sending the chemicals used to make fentanyl (and make it especially deadly) to Mexico and the US.

Despite these political pledges, Mexico has not signed on to the Chinese Belt and Road Initiative, nor has it joined the Asian Infrastructure Investment Bank. Compared to Brazil (US\$15 billion) and Argentina (US\$10 billion), [Chinese investments](#) in Mexico remain relatively low at around US\$4.7 billion. Looking at recent trade developments, political declarations of intent cannot hide that Mexico is currently profiting from the relocation of manufacturing from Asia to North America, to China's detriment (see below).

Mexico's response to the Russian invasion of Ukraine was [mixed](#). AMLO declared that Mexico would remain neutral in the conflict, criticised the US for providing aid to Ukraine, declined to impose sanctions on Russia and condemned the EU for sending arms to Kyiv. After Ukrainian authorities asked the country's Senate for military assistance, the Mexican government announced it would not send arms to Ukraine. On the other hand, Mexico has played a proactive role in the UN, joining other nations in condemning Russia's invasion by voting in favour of all UN resolutions condemning the Russian aggression on Ukraine. Moreover, the UN General Assembly overwhelmingly approved a resolution, proposed by France and Mexico, blaming Russia for the humanitarian crisis in Ukraine and urging an immediate ceasefire and protection for millions of civilians.

[Observers](#) point out that AMLO has failed to strengthen relations with Brazil following the return of left-wing President Luiz Inácio Lula da Silva. On the other hand, he has built rapport with other left-wing governments in the region, such as Colombia, Chile or even Cuba and Venezuela. Mexico was one of the few countries that recognised Nicolás Maduro's 2019 election win in Venezuela. On the other hand, Mexico hosted the negotiations between the Maduro regime and the opposition.

Most recently, Mexico broke off diplomatic relations with [Ecuador](#) after Ecuadorean police officers penetrated Mexico's Embassy in Quito to arrest former left-wing Ecuadorean Vice President Jorge Glas, who had been granted refuge by Mexico. Mexico has granted political asylum to other former officials in Latin American countries accused of corruption, such as Evo Morales, the former president of Bolivia and the family of former President of Peru, Pedro Castillo.

The newly elected Mexican President's foreign affairs agenda will of course be strongly impacted by the outcome of the 2024 US presidential election on 5 November 2024. While a second Biden term would yield continuity, a Trump victory would imply major challenges for US-Mexico relations. Trump is likely to [reimpose](#) previous measures, such as the 'Remain in Mexico' programme. He could also pressure Mexico into accepting ['safe third country' status](#) or face trade rows, or worse; during

his presidential primary campaign, he has suggested that he would be willing to intervene militarily in Mexico to combat drug cartels.

Economy: Mexico, a beneficiary of geopolitical changes

As a member of the G20 and the OECD, Mexico is a member of the elite club of the world's strongest economic powers. Mexico is among the world's 15 largest economies and the second-largest economy in Latin America. The OECD [attests](#) that Mexico's solid macroeconomic policies, including innovative debt management, sound monetary policy and a flexible exchange rate, helped the country to navigate the COVID-19 pandemic-induced recession and to put the economy back on track. Mexico performed better than most major Latin American economies in 2023, largely owing to strong nearshoring demand and rapid growth in the US. According to the [World Bank](#), the Mexican economy has recovered pre-pandemic level employment and Gross Domestic Product (GDP). In 2023, the economy grew by 3.2 %, the second consecutive year of growth exceeding 3 %. For 2024, the economy is projected to expand by 2.5 % and by 2 % in 2025 which, according to experts, makes Sheinbaum's [objective](#) of achieving 3 % economic growth quite ambitious.

The [unemployment rate](#) in Mexico has sustained a steady decline since it peaked at 5.5 % in June 2020. By May 2023, it fell to 3 %, below its December 2019 pre-pandemic level of 3.2 %.

Mexico is benefiting from geopolitical and geo-economic developments. The country is one of the Americas' primary beneficiaries of 'nearshoring'; the relocation of manufacturing from Asia to North America brought on by US efforts to de-risk from Chinese supply chains. [Experts](#) stress that companies are attracted to Mexico's manufacturing-based economy, free trade agreements with the US, Canada, Japan, the EU and several Latin American countries. In 2023, for the first time in two decades, the [US imported](#) more goods from Mexico than from China. Foreign direct investment (FDI) from the US to Mexico almost tripled in 2022. While FDI flows to developing countries fell by 9 % in 2023, according to UNCTAD's latest Global Investment Trends Monitor, Mexico, saw an overall 21 % increase in both FDI and announced greenfield projects.

Despite the relatively good economic circumstances, the next Mexican president will have to tackle economic challenges to accelerate sustainable economic growth and poverty reduction. Experts [point out](#) that Mexico needs to address structural constraints such as limited access to finance, insecurity, informality, regulatory burdens, infrastructure bottlenecks and corruption. Tackling these challenges is essential to seize the opportunity that nearshoring represents.

The [Economist](#) goes as far as to raise the question of a possible US-Mexico trade war. Tensions have increased recently, as China is 'using' Mexico as an attractive beachhead into the US, as the US-Mexico-Canada Agreement (USMCA) gives tariff-free access for goods made with enough North American content. This has led the Biden administration to consider raising tariffs on vehicles above their current 25 % level. His opponent, Donald Trump, already announced he would apply a 100 % import tax on Chinese cars made in Mexico.

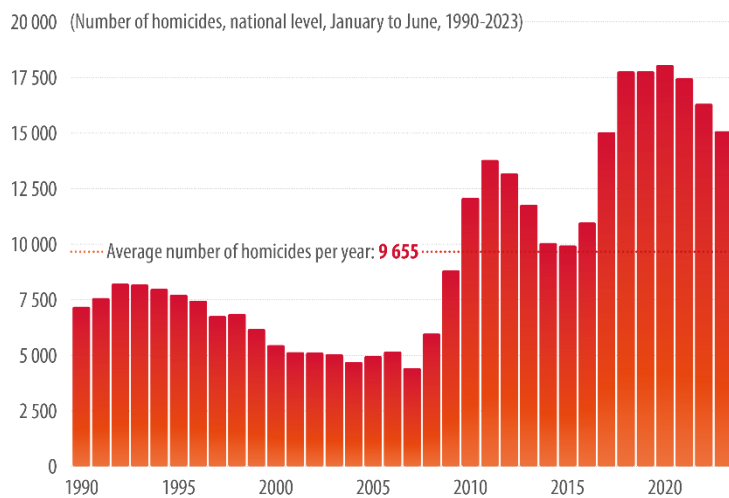
A key challenge is Mexico's transition towards climate neutrality, as the country still strongly depends on oil, gas and coal: Fossil fuels account for 86 % of the total energy supply, while renewables make up only 8 %. Mexico is committed to [reduce emissions by 35 %](#) from business-as-usual levels by 2030. While both candidates aim to strengthen renewable energy in Mexico, the presidential candidates' [proposals](#) differ. Sheinbaum's roadmap aims to 'decarbonise the energy matrix as quickly as possible'. However, her administration would be 'in line' with AMLO's energy policy, which is based on energy self-sufficiency through the strengthening of the state-owned oil company Petróleos Mexicanos (Pemex), and the rehabilitation and acquisition of refineries. Additionally, Sheinbaum plans to invest more than US\$13 billion in new energy generation projects to 2030. This would include increasing wind and solar power generation, as well as modernising hydroelectric plants. Galvez' manifesto outlines a decarbonisation plan and pledges resources to encourage local and national energy transition plans to reach 'net-zero carbon emissions' by 2050.

She wants to make Pemex's business model more efficient and promote clean energy rounds and electricity auctions. Some 50 % of energy should come from renewable sources by 2030.

Fighting organised crime with hugs

The number of homicides in Mexico, at a record high in 2020, has fallen slightly in the last three years, but the rate remains near historical highs. The high homicide level [largely mirrors](#) trends in organised crime-related violence, as criminal groups have fought for control over illicit smuggling routes into the US. Between 25 % and 50 % of total homicides reported by the Mexican government, were likely linked to [organised crime](#). More than 70 active armed groups are fighting for the control of lucrative illicit economies – including drug smuggling, human trafficking and extortion. Although López Obrador's security policy approach ('hugs, not bullets') had contributed to a progressive decrease in security forces clashing with criminal groups since 2018, clashes between criminal groups and between state forces and criminal groups both increased since 2023. According to the [Geneva Academy of International Humanitarian Law and Human Rights](#), three major conflicts in Mexico (involving gang drug cartels) have reached such an extent that they are assessed as a non-international armed conflict (NIAC).

Figure 1 – Homicide in Mexico



Source: EPRS, INEGI and *El País*, 2023.

Against this background it is unsurprising that public safety is a major concern for most Mexican citizens: 6 out of 10 adults say they do not feel safe in their city. Sheinbaum's [election programme](#) does not indicate a fundamental change to AMLO's security policy – who described his approach to improving security in Mexico with the slogan '*Abrazos, no balazos*' (hugs, not bullets), as the 'war' on drugs waged by his two predecessors failed. However, contrary to his campaign pledges to revert to a civilian-led police force, President López Obrador has

[expanded](#), not limited, the military's role in public security. In 2019, López Obrador backed constitutional reforms that created a National Guard to replace the Federal Police. Mexico's Congress passed a reform in August 2022 that allows the military to carry out domestic law enforcement until 2028. On the other hand, Mexico has also joined forces with Colombia to advocate for a new, more health- and human rights-based approach to drug policy. At the 'Latin American and Caribbean Conference on Drugs for Life, Peace, and Development' which took place in Cali, Colombia on 9 September 2023, the participating states (Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, México, Nicaragua, Panamá, Paraguay, Peru, Uruguay and Venezuela) endorsed a roadmap for a new global policy on drugs, exploring innovative ways to address the world drug problem.

Claudia Sheinbaum has distanced herself from a hard-handed policy in the style of former Mexican President Felipe Calderón to combat drug-trafficking, but pledges to address the causes of violence, to consolidate the National Guard and increase its coordination with state police, to strengthen intelligence and investigation and to reduce impunity. While Sheinbaum's election programme does not feature security policy prominently (step 92 of 100), security is a key topic for her opponent,

Senator Xóchitl Gálvez, who launched her campaign in Fresnillo – one of the cities most affected by violence – and attacked López Obrador's overly lax security policies (from her point of view).

[Observers](#) are concerned that Mexico is heading towards its most violent election ever, with 30 candidates murdered, 77 threatened and 11 kidnapped during the first four months of 2024.

The [drug and organised crime](#) problem increasingly also affects the EU. According to the 2023 European Drug Report, cocaine is the second most commonly used illicit drug in Europe. Within just 10 years (between 2011 and 2021), the European cocaine market increased by 416%. Close to 40% of the criminal networks active in the EU are involved in the trade in illegal drugs. The estimated organised crime profit from illicit activities, including drug trafficking, amounted to around €139 billion a year, corresponding to 1% of EU GDP. Fully 50% of homicides in the EU are linked to drugs and drug trafficking. [According to Europol](#), seizures of methamphetamine and cocaine linked to Mexican criminal actors have emerged as a prominent feature of the EU drug landscape. Mexican criminal actors and EU-based criminal networks work together to traffic both of these illicit drug types from Latin America to the EU. There are opportunities to make even more profit in future: the [UNODC 2023 Global Report on Cocaine](#) points out that the global supply of cocaine is at record levels. Cocaine production recently doubled within six years (from 2014 to 2020). Experts assume that the cocaine supply chain will catch up with new record levels of coca cultivation in 2024, with global organised crime enjoying rising profits.

To strengthen the fight against organised crime and improve law-enforcement cooperation with Mexico, the European Commission has begun negotiating an [international agreement](#) on the exchange of personal data between Europol and Mexico (and with Bolivia, Brazil, Ecuador and Peru).

EU-Mexico relations

Over the years, the [EU and Mexico](#) have strengthened their political and economic ties based on common values, principles and objectives such as democracy, multilateralism, human rights, a rules-based trade order and good governance. Both parties signed the Economic Partnership, Political Coordination and Cooperation Agreement (GA) in 1997, the bilateral Strategic Partnership in 2008, and the modernisation of the GA in 2018. Based on the GA, and to fulfil the objectives of the Strategic

Global Gateway Investment Agenda priorities for Mexico

Health: strengthening Mexico's regulatory system of medicines and vaccines, to support local capacity to produce and distribute high quality vaccines, medicines, and medical devices.

Green and sustainable finance: promoting innovative financial products for the private sector and the adoption of environmental, social and governance standards in companies.

Sustainable development: Team Europe and Mexico work together on the new Mexican sustainable industrial and regional development model through the Sonora Plan, particularly the development of sustainable industrial parks.

Transport: explore possibilities for future collaboration in the framework of other large scale infrastructure projects, such as the Transoceanic Corridor.

Source: [EEAS](#), 2023.

Partnership, a series of policy dialogues have been established for exchanges between the EU and Mexico, including the [High-Level EU-Mexico Political Dialogue](#), the [High-Level Dialogue on Human Rights](#) and a [High Level Dialogue on Multilateral Issues](#). The holding of regular summits is also established by the GA. However, no summit has taken place since June 2015.

The long-awaited summit between the EU and Latin American and Caribbean States (CELAC) took place in Brussels on 17 and 18 July 2023, under the Spanish Presidency of the

Council of the EU, and re-launched the EU's partnership with the LAC at the highest level. A key result was the EU-LAC [Global Gateway Investment Agenda \(GGIA\)](#), which helps address investment gaps in line with shared EU and LAC priorities, by mobilising both private capital and public funding

for sustainable development. The [implementation](#) of the GGIA for Mexico (see textbox) has already begun and is delivered through a 'Team Europe' approach, which brings together the EU and EU Member States with their financial and development institutions. One example is the [Plan Sonora](#) for Sustainable Energy, Mexico's ambitious renewable energy initiative.

A [meeting](#) at the highest political level took place in Mexico on 15 June 2023 between Commission President Ursula von der Leyen, and President López Obrador – the first Commission President visit to Mexico in 11 years. The visit aimed to relaunch the bilateral relationship and the Strategic Partnership between Mexico and the EU in all its dimensions. Amongst other things, the meeting focused on the GGIA strategy for projects in Mexico. Both presidents identified Mexico as a strategic energy, industrial and logistical hub to supply the North American and European markets, with a high potential in green hydrogen energy, and agreed that European investment will be an important contribution to its development. On the occasion of the visit, the European Investment Bank (EIB) signed a [declaration of intent](#) with the Ministry of Foreign Affairs in Mexico City, to reinforce their strategic partnership on financing sustainable development in the country. Since the EIB started working in Mexico in 1997, it has [provided](#) over €884 million to finance investments, for [example](#), solar photovoltaic plants as part of the country's clean energy transition plan.

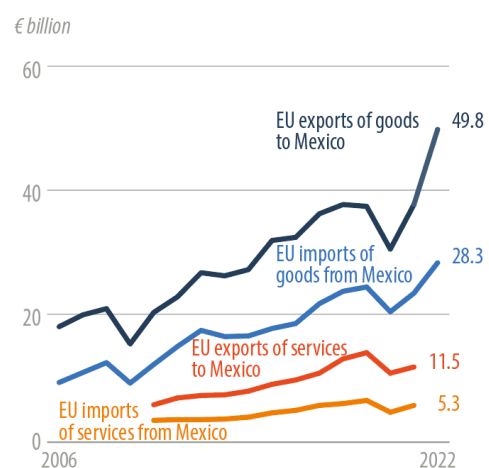
As an upper-middle-income country, Mexico does not have a bilateral multiannual indicative programme (MIP). However, it benefits from an indicative allocation of €60 million, earmarked under the regional [Multiannual Indicative Programme 2021-2027 for the Americas and the Caribbean](#).

The allocation addresses three priorities:

- support for the modernisation and implementation of the new EU-Mexico Global Agreement,
- green global challenges,
- *promotion* of social cohesion and the fight against inequalities.

EU-Mexico [economic ties](#) are strong. Today, Mexico is the EU's second biggest trading partner in Latin America and the EU is Mexico's third largest trading partner, after the US and China. By 2020, bilateral trade had more than tripled in the 20 years since the GA entered into force. Trade between the two totalled US\$88.8 billion in 2023, the highest level in the history of the bilateral relationship. As for foreign direct investment, the EU is the second largest investor in Mexico after the US. According to the European Commission, 400 000 jobs in the EU are linked in some way to EU exports to Mexico. However, both partners aim to take their economic and political relations to the next level. The key instrument for this is the modernisation of the EU-Mexico GA from 1997. On 28 April 2020, the EU and Mexico concluded their negotiations for a [modernised trade agreement](#). Following the conclusion of the negotiations, the European Commission has proposed complementing the modernised GA with an interim free trade agreement (iFTA), containing the parts of the GA's trade pillar that fall within the EU's exclusive competence (requiring ratification at EU level only). The iFTA would expire once the modernised GA entered into force, mirroring the architecture of the agreement with Chile. However, final confirmation by the Mexican government of the proposed legal architecture is pending. Although Presidents von der Leyen and López Obrador committed to expediting negotiations with a

Figure 2 – EU trade with Mexico



Source: EPRS and European University Institute, 2023.

view to finalising the agreement before the end of 2023, this did not happen and the agreements' future remains uncertain.

The European Parliament has expressed its support for the modernisation of the EU-Mexico Global Agreement on multiple occasions. The newly elected Members of the 2024-2029 legislative term are expected to decide whether the European Parliament will give its consent to the agreement. Looking beyond trade relations, the European Parliament has expressed its position on the EU-Mexico relations on several occasions, in meetings and [resolutions](#). Parliamentary dialogue between the two partners has been primarily fostered through the work of the European Parliament's Delegation to the [EU-Mexico Joint Parliamentary Committee](#) (D-MX). The Parliament has been particularly outspoken on the situation of journalists and human rights defenders in Mexico. Amongst other things, Members condemned the alarming rate at which journalists and human rights defenders in Mexico, including environmental defenders and indigenous people, are being threatened, harassed and killed. Members also addressed the situation of migrants and the murder of 43 teaching students.

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